

Message Text

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PAGE 01 HONG K 02600 280239Z
ACTION EA-12

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 PA-01 AGRE-00
CIAE-00 COME-00 EB-08 INR-10 LAB-04 NSAE-00 SP-02
STR-07 TRSE-00 FRB-03 OMB-01 /077 W
-----057540 280511Z /23

R 280201Z FEB 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 9183
INFO USMISSION GENEVA
AMEMBASSY LISBON

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DEPT FOR EA/PRCM, EB/TEX

DEPT PASS STR FOR MIKE SMITH

GENEVA PASS PHELAN

E.O. 11652: N/A
TAGS: ETRD, MC, US
SUBJ: TEXTILE AGREEMENT WITH MACAU

1. CONGEN HAS RECEIVED A LETTER FROM DR. CAMPOS, DIRECTOR
OF ECONOMIC DEPARTMENT, GOVERNMENT OF MACAU, REQUESTING
AN INCREASE IN THE LEVEL OF EXPORTS TO THE U.S. FOR
CATEGORIES 445 AND 446 AS WELL AS DENIM JEANS. THE TEXT
OF THE LETTER IS QUOTED BELOW:

BEGIN TEXT: " AS YOU KNOW FROM AMENDED TEXT, WE AGREED ON
A LEVEL OF 57,124 DOZ. OF CATS. 445 AND 446, EQUIVALENT
TO 850,000 SYDS. THIS WE THOUGHT TO BE A REASONABLE OFFER
AND THEREFORE WE ACCEPTED IT. HOWEVER, THE EXPORTERS
HAVE PUT TO ME THE FOLLOWING PROBLEM:

(A) THEY BASED THEIR 1978 CONTRACTS WITH U.S. FIRMS
ON THE BASIS OF A TOTAL LEVEL OF 533,643 LBS. WHICH IS
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EQUIVALENT TO 81,250 DOZENS AT A RATE OF 6.5 LB/DOZ,
ACCORDING TO 1977 EXPORT AVERAGE WEIGHT FIGURES FOR
CAT. 116/117. (B) THEREFORE, WITH A 1978 LEVEL OF
57,124 DOZ. THEY ARE NOW FACED WITH THE PROBLEM OF
REDUCING OR EVEN LOSING ORDERS. THEY ALSO ADD THAT
OUR NEGOTIATIONS TOOK PLACE RATHER LATE IN THE PERIOD
AND SO THEY ARE NOT ABLE TO ADJUST QUICKLY BEARING IN

MIND THAT THESE ITEMS ARE SEASONAL.
THIS DEPARTMENT WISHES THEREFORE TO PUT THIS QUESTION
FOR CONSIDERATION OF THE U.S. COMMERCE DEPARTMENT
DELEGATION, HOPING THAT IT WILL BE POSSIBLE TO MEET
OUR REQUEST ON RAISING THE LEVEL FROM 57,124 DOZ. TO
81,250 DOZ FOR CATS. 445 AND 446. AS YOU KNOW, WITH
ALL FLEXIBILITY WE CAN ONLY GO AS FAR AS 63,000
DOZENS AND THIS WOULD OF COURSE PREJUDICE OUR 1979
LEVEL. OUR SECOND PROBLEM REGARDS A LOCAL LEVI'S
FACTORY AND EXPORTS TO U.S. THEIR HEAD MANAGEMENT
HAS SOMEHOW DECIDED TO CHANGE THEIR STRATEGY AND
START EXPORTS TO THE U.S. MARKET. AS MUCH AS WE
WOULD LIKE TO HELP THEM SOLVE THEIR PROBLEM, THE
FACT IS THAT THEY HAVE NO PAST PERFORMANCE FOR
THE AMERICAN MARKET AND THEREFORE WE ARE ONLY ABLE
TO ALLOCATE THEM QUOTAS THROUGH PART OF OUR 10 PERCENT
RESERVE QUOTAS. HOWEVER, THIS APPEARS TO BE FAR FROM
THEIR REQUIREMENTS OF 15,000 DOZENS. I WOUNDER WHAT
CAN BE DONE FOR LEVI'S? COULD YOU PLEASE ALSO PASS
THIS ONE ON TO WASHINGTON AND H
R SOOM TO BE ABLE TO
GIVE THE PARTIES CONCERNED A SPECIFIC REPLY. "END TEXT

2. CONGEN HAS ADVISED DR. CAMPOS THAT REVISIONS AT
THIS TIME WOULD BE DIFFICULT, BUT HAS AGREED TO
FORWARD HIS REQUEST TO THE DEPARTMENT AND THE STR.
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REQUEST REPLY BE FORWARDED THROUGH POST.
SHOESMITH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978HONGK02600
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780090-1167
Format: TEL
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978025/aaaaadme.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e6c4f2d8-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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